

To: President and Members of the Munster Town Council
From: Wendy Mis, Clerk-Treasurer *W Mis*
Copy to: Dustin Anderson, Town Manager
Date: March 2, 2020
Re: Appropriation Adjustments, Ordinance 1793

The Department of Local Government Finance (DLGF) certified the budget on January 14, 2020. The final amounts for the controlled funds were, in some cases, reduced from what the Council adopted in 2019. It is necessary for the Council to formally modify the 2020 budget to match the amounts certified. Ordinance 1793 has been prepared for the purpose of memorializing fund budgets to comply with the certified budget.

There are six controlled funds that were reduced from what Staff requested and what was certified by the DLGF.

- The General Fund was cut \$501,617 from what Staff requested. All departments supported by the General Fund were asked to make cuts.
- Two debt service fund cuts were expected because the budget request was based on pro-forma numbers prior to bond issuance. There are adequate appropriations to meet the debt service payments.
- The Park Fund and Police Pension Fund were each cut by de minimis amounts, \$434.00 and \$750.00 respectively.
- The Major Moves Fund was cut by \$104,961. If Council and Staff find it necessary, an additional appropriation can be issued later in the year.

The budget amounts in the system that Staff is currently working with reflect the certified amounts. The certified amounts assume 100% property tax collection without circuit breaker impact. The actual circuit breaker impact cannot be known until property tax bills are calculated. It is possible that further cuts will be needed once the circuit breaker impact is known.

Part of this process involves transferring budget dollars among the major expenditure groups within each fund (Personal Services, Supplies, Contractual Services, and Capital Outlays). Municipalities are allowed to transfer budget amounts from one major expenditure group to another within the same fund in order to avoid overspending the budget. These transfers must be authorized by ordinance or resolution. The amounts in each group are reviewed regularly and it is anticipated that mid-year adjustments will be made.

The exhibit to the ordinance shows the adopted amounts, and the amounts certified by the Department of Local Government Finance.

RECOMMENDED ACTION:

By motion and voice vote, hear Ordinance 1793 on first reading and schedule second reading and adoption for the March 16, 2020 meeting.